

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, DB, CHENNAI

Arguments heard on 07.02.2017

Order passed on 17.02.2017

C.P.No.15 of 2017

(Under Second Proviso to Sec.14(1)(b) of the Companies Act, 2013)

Petitioner: M/s.Universal Pharmaceuticals Ltd rep. by PCS Mr. P.Sriram

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ANANTHA PADMANABHA SWAMY & CH MOHD SHARIEF TARIQ, MEMBERS (JUDICIAL)

ORDER

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL) :- (ORAL)

1. The Company Petition came to be filed on 26.12.2016 under Second proviso to Section 14 (1)(b) of the Companies Act, 2013 for conversion of the petitioner company to private limited company. It is stated that since the company has not been availing/enjoying any privileges of being a public limited company, it has applied for conversion to private limited.
2. The Petitioner is a company incorporated on 27.07.1990 under the Companies Act, 1956 with its registered office at No.1, Grihalakshmi Shopping Complex, Vaidyanathan Street, Tondiarpet, Chennai-600081. Its Corporate Identity Number is U24231TN1990PLC019449.
3. The company is having an authorised capital of Rs.1 crore divided into 10,00,000 equity shares of Rs.10/-. The paid up share capital is Rs.9,99,600/- divided into 99,960 shares of Rs.10/- each. The company is carrying on the business with main objects of being manufacturers, importers, repackers and dealers in pharmaceutical formulations, medical, chemical biological biochemical, electrolytic drugs, fine chemicals,

ingredients, products and compounds and manufactures of basic drugs, analytical chemists, druggist and drysalters. The entity is a very closely held public company, having 8 shareholders.

4. It has been stated that the Board of Directors held the meeting on 14.09.2016 and formed an opinion that the company be converted to private limited. The Extra Ordinary General Meeting for the said purpose was held on 17.10.2016 which was attended by all the 8 members who unanimously passed the special resolution for changing the public company to private limited company. The required documents have already been filed on 18.11.2016 before the Registrar of Companies concerned, by way of Form MGT-14. There are only four Secured Creditors and 97 Unsecured Creditors. It is averred in the Memo of Service that under Rule 68(5)(b) of the NCLT Rules, 2016, individual notices have been served on creditors through Registered Post (AD) on 19.01.2017. The list of creditors is stated to be available for inspection at the registered office of the Company during business hours. The Directors of the company Mr.Parambath Sreenivasan Padmanbhan Nair and Shew Ratan Marda have certified the list of creditors which is placed at Page 62 to 66 of the company petition. The Publication of notice in newspapers has also been made one in vernacular and the other in English on 19.01.2017 which are also placed on record. There is no objection from anybody and the Registrar of Companies, Chennai, submitted a report stating that the petition may kindly be decided on its merits. The special

resolution passed at EoGM on 17.10.2016 also provides for amending the Articles of Association to align with the provisions of the Companies Act, 2013. Therefore, it appears that the petitioner company has fulfilled the requirements as per law, for the proposed conversion.

5. In the light of the above, the petition is allowed permitting the conversion from public limited to private limited, which is in the interest of the company with a view to comply efficiently with the provisions of Companies Act 2013 and the same is not likely to cause any prejudice either to the members or the creditors of the company. Accordingly, the petition is disposed of, with a direction to give effect to the conversion of the Company from public to private by bringing alteration in the Articles of Association and a copy of this order along with printed copy of the Articles of Association be filed with the Registrar of Companies concerned, within a period of 15 days from today in the manner as prescribed for registration of the Company and change of the name of the Company as prayed for in the petition.


ANANTHA PADMANABHA SWAMY
MEMBER (JUDICIAL)


CH. MOHD SHARIEF TARIQ
MEMBER (JUDICIAL)